

Message Text

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16

ORIGIN ARA-20

INFO OCT-01 ISO-00 EB-11 COA-02 TRSE-00 COME-00 INT-08

AGR-20 AID-20 DLOS-07 STR-08 FRB-02 OMB-01 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04

RSC-01 PRS-01 SP-03 SS-20 USIA-15 IO-14 XMB-07 /195 R

DRAFTED BY ARA-LA/CEN:RTAYLOR-EB/IFD/ODF:RSGELBARD:TK

APPROVED BY ARA/CEN DAVID LAZAR

S/FW/COA: RTLEROY (DRAFT)

EB/IFD/ODF:REBENEDICK (DRAFT)

TREAS:TBURKE (DRAFT)

ARA/LA/MRSD:JROTHBERG (DRAFT)

USIDB:KGUENTHER (INFO)

----- 029372

R 251945Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY SAN JOSE

INFO AMEMBASSY MEXICO

C O N F I D E N T I A L STATE 136350

E.O. 11652: GDS

TAGS: EFIS, EFIN, CS, MX, IDB

SUBJECT: PROPOSED IDB FISHERIES LOAN

REF: SAN JOSE 2169

1. SUMMARY: IDB ADOPTED POLICY OF NOT FINANCING TUNA BOATS FOLLOWING U.S. SUGGESTION OFFERED IN CONNECTION WITH MEXICAN FISHERIES LOAN. POLICY LED TO DELETION OF TUNA BOATS FROM MEXICAN LOAN AND TO REWORKING OF COSTA RICAN LOAN PROPOSAL TO SUBSTITUTE OTHER ITEMS FOR THREE TUNA BOATS ORIGINALLY REQUESTED. CASTRO ATTENDED MAY 29 IATTC MEETING BUT DID NOT RAISE QUESTION OF FISHERIES LOAN. END SUMMARY.

2. IDB OFFICIALS AND OFFICE OF U.S. EXECUTIVE DIRECTOR
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REPORT THAT SINCE TIME OF MEXICAN LOAN, IDB HAS FOLLOWED

POLICY OF NOT FINANCING TUNA BOATS. BANK HAD STATED AT TIME OF MEXICAN LOAN THAT WRITTEN POLICY GUIDELINES WOULD BE PROVIDED BUT THIS HAS NOT YET OCCURRED.

3. DELETION OF TUNA BOAT PORTION OF COSTA RICAN LOAN FOR FISHERIES DEVELOPMENT STEMS FROM THIS IDB POLICY. IDB LOAN OFFICER FOR COSTA RICA SAYS THAT PROVISION FOR THREE TUNA BOATS VALUED AT DOLS. 4.6 MILLION WAS FORMALLY DELETED IN LATE MAY AFTER DISCUSSIONS IN SAN JOSE BETWEEN LOCAL IDB REPRESENTATIVES AND GOCR OFFICIALS. AMOUNT OF

PROPOSED LOAN WAS NOT DECREASED; THREE TUNA BOATS WERE REPLACED WITH OTHER ITEMS FOR FISHERIES DEVELOPMENT.

4. MINISTER-COUNSELOR CASTRO OF COSTA RICAN EMBASSY DID ATTEND MAY 29 IATTC MEETING. FISHERIES DEVELOPMENT QUESTION WAS NOT RAISED.

5. WE WOULD HOPE THAT COSTA RICAN ATTITUDE ON TUNA CONSERVATION WOULD NOT BE AFFECTED BY IDB POLICY RE TUNA BOAT FINANCING. SO FAR AS WE ARE AWARE IDB PERCEIVED NO RELATIONSHIP BETWEEN CONSERVATION PROBLEM AND COSTA RICAN LOAN PROJECT. PROBLEM OF POSSIBLE IMPACT ON CONSERVATION WAS CONSIDERED HERE IN CONNECTION WITH PROPOSED MEXICAN LOAN BUT WAS NOT PURSUED BECAUSE TUNA BOATS EVENTUALLY WERE DELETED FROM MEXICAN PROJECT.

6. FYI: AMBASSADOR LOPEZ DISCUSSED QUESTION WITH U.S. ALTERNATE DIRECTOR ON MAY 2 AND INDICATED COSTA RICAN AUTHORITIES WOULD REFORMULATE LOAN REQUEST UNDER PRESSURE FROM BANK OFFICIALS. MOST SERIOUS PROBLEMS FOR U.S. SUPPORT FOR MEXICAN LOAN DEVELOPED WHEN REP. LEONOR SULLIVAN, CHAIRMAN OF MERCHANT MARINE AND FISHERIES COMMITTEE AND REP. JOHN DINGELL, CHAIRMAN OF SUBCOMMITTEE ON FISHERIES AND ENVIRONMENT STATED THEIR CONCERN IN DECEMBER 1973 ABOUT IDB FINANCING OF TUNA BOATS AND EFFECTS THIS WOULD HAVE ON CONSERVATION QUESTION, RELATIONSHIP WHICH VARIOUS MEMBER COUNTRIES HAVE WITH INTER-AMERICAN TROPICAL TUNA COMMISSION (IATTC), AND POTENTIAL IMPACT ON U.S. TUNA FISHING INDUSTRY. REP. SULLIVAN ADDED THAT SHE WAS GIVING SERIOUS CONSIDERATION TO OFFERING AN AMENDMENT

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TO THE FOREIGN ASSISTANCE ACT APPROPRIATION WHICH WOULD PRECLUDE U.S. FINANCIAL PARTICIPATION IN ANY LOAN SPECIFICALLY CONCERNING TUNA VESSELS IN THE MULTILATERAL INSTITUTIONS. MEXICAN LOAN WAS ULTIMATELY RENEGOTIATED BY IDB WITH TUNA BOAT COMPONENT BEING REPLACED BY OTHER TYPES OF VESSELS AND SLIGHT REDUCTION IN SIZE OF LOAN. AMENDMENT TO FAA WAS NOT ATTEMPTED AND REP. SULLIVAN MADE FOLLOWING STATEMENT IN CONGRESSIONAL RECORD OF DECEMBER 11, 1973.

QUOTE: IT IS MY FURTHER UNDERSTANDING THAT THE BANK (IDB) WILL ADOPT A POLICY OF REFUSING TO FINANCE FISHING BOAT LOANS FOR ANY TYPE OF FISHING IN THE FUTURE EXCEPT FOR LIMITED COASTAL LAUNCH FISHING VESSELS, SUCH AS RED SNAPPER, HAKE ETC., BECAUSE THESE LOANS IN GENERAL ARE AVAILABLE THROUGH REGULAR COMMERCIAL CHANNELS. UNQUOTE.

7. SUGGEST YOU DRAW ON PARAGRAPHS 2-6 TO RESPOND TO ANY FURTHER QUESTIONS ON THIS MATTER. IF QUESTION OF CONGRESSIONAL ATTITUDES ARISE YOU MAY DRAW ON RELEVANT STATEMENTS OF REPS. SULLIVAN AND DINGELL WHICH HAVE ALREADY BEEN POUCHED TO YOU. SISCO

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Message Attributes

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